

State of New Hampshire

PREMIUM TAX

Premium Tax Base:

§ 400-A:31

On gross direct premiums, including policy fees, membership fees and assessments, dividends applied in payment for insurance and other considerations. As to title insurers, the portion of the premium chargeable to title examinations may be deducted. Ocean marine premiums are taxed separately. It is department policy not to tax annuity considerations.

Tax Rate:

§ 400-A:32

2%; minimum premium tax of \$200. Includes nonprofit medical service corp., health service corp., and health maintenance organization (HMOs), except for premiums from political subdivisions other than the state of New Hampshire written in these organizations.

§ 405-A:3

Risk retention group taxed same as foreign admitted insurer

Other Taxes and Assessments:

§ 400-A:33 Ocean Marine Insurance

5% of taxable underwriting profit as defined in the statute.

§ 281-A:59 Workers' Compensation Administration Fund

Assessment for administration of workers' compensation program. Based on claims paid. No assessment may be less than \$100 or more than 1.5% of the total compensation paid. This assessment is a credit against the premium tax liability.

§ 281-A:55 Subsequent Injury Fund

May assess workers' compensation insurers to maintain fund. No credit against premium tax liability.

Reg. § 1702.071 Stabilization Reserve Fund

May assess surcharge not to exceed 2% of annual premium on medical malpractice insurance.

§ 400-A:39 Administrative Expenses of Insurance Department

Assess share of costs of administering insurance department to all insurers. Assessments are based on the insurer's premium as a proportion of total premium written. Minimum assessment \$100.

Other Taxes and Assessments (cont.)

§ 77A:1 Business Profits Tax

Tax based on federal taxable income with adjustments and taxed at rate of 8.5%. No credit against premium tax liability. Premium tax is a credit against New Hampshire business profits tax.

§ 77-E:1 Business Enterprise Tax

This chapter defines business income and tells how to calculate the tax due. This tax is a credit against premium tax liability.

§ 404-C:11 Federal Riot Reinsurance

Assess amount sufficient to reimburse U.S. for expenditures under national housing act for lines of insurance reinsured by housing and urban development secretary.

§ 404-B:8 Property and Casualty Guaranty Association

Association may make an assessment of no more than 2% of net direct written premiums for kinds of insurance in account with deficiency. No credit against premium tax liability.

§ 408-B:9 Life and Health Guaranty Association

The guaranty association may make a yearly non-pro rata assessment of no more than \$150 for administrative expenses and may assess insurers up to 2% of the average premiums for the prior 3 years on account of an insolvent insurer.

§ 400-A:32-b Electronic Funds Transfer

The insurer, or group of insurers, shall remit taxes by electronic funds transfer, when there was a tax liability in the prior tax year of:

- \$40,000 or more, effective 1/1/06;
- 30,000 or more, effective 1/1/07;
- 20,000 or more, effective 1/1/08.

§ 420-K:6 Small Employer Health Reinsurance Pool

The board of directors shall establish a regular assessment rate and may establish a special assessment rate for organizational expenses and an interim assessment if the board determines that its funds are or will become insufficient to pay the reinsurance pool's expense in a timely manner. The regular assessment rate, and the special assessment rate, shall be subject to the approval of the commissioner. Effective 7/1/05.

Exclusions and Deductions:

§ 418:33 Fraternal Benefit Societies

Fraternals are exempt from the payment of premium tax.

Exclusions and Deductions (cont.)

Crop Insurance

New Hampshire will not collect tax on premiums on federally reinsured crop insurance.

Credits:

§ 400-A:34a Business Enterprise Tax

The business enterprise tax paid may be credited against premium tax. Any excess business enterprise tax may be credited against New Hampshire business profits tax.

§ 162-L:10 New Hampshire Community Development Finance Authority Tax Credit

Insurers may take a credit against their premium tax for 75% of contributions made to the Authority. The total credit cannot exceed \$1 million in any tax year.

§ 281-A:59 Workers' Compensation Administration Fund

Payments made to the Workers Compensation Administration Fund are a credit against premium tax payments. No subsequent injury fund credit allowed.

§ 408-B:13 Life and Health Guaranty Association

An insurer may offset its tax liability by 20% of a Class B assessment each year for 5 years, beginning the year after the assessment was paid.

Payment Due Dates:

§§ 400-A:31 to 400-A:33

Return due March 15. Pay 25% of last year's tax as prepayment for this year on March 15, June 15, September 15 and December 15. An insurer with an estimated liability of \$100 or less per quarter must make payment in full on March 15.

Marine insurers' report due by May 1.

Penalties:

§ 400-A:32

Penalty of 10% of tax due if fail to file or fail to remit proper tax by date due.

§ 405:60

May revoke license for failure to pay tax, fine, penalty, license or fee.

Extensions:

§ 400-A:31

Commissioner may grant an extension for reasonable cause.

Retaliatory Law:

§ 400-A:35

When taxes, fines, penalties, licenses, fees and other obligations imposed on New Hampshire insurers by other states exceed those New Hampshire imposes on other states' insurers, retaliation will occur. New Hampshire retaliates on a tax-for-tax and a fee-for-fee basis on taxes, fines, penalties, licenses, fees, deposits and other obligations, according to the instructions on their tax return.

FEES

§ 400-A:29

Insurers' Fees:**Certificate of authority:**

Company license application (nonrefundable)	\$300
Initial certificate	100
Annual renewal of company license	100
Reinstatement	50
Amendment	25
Variable products application (nonrefundable)	100
Annual renewal of variable products license	100

Charter documents (other than those filed with application for certificate of authority):

Application to reserve corporation name (ninety days)	25
For filing articles of amendment, domestic companies	10
For filing a copy of amendment to the articles of incorporation of a foreign or alien company	10
If the amendment is filed more than sixty days after the same has become effective in the home state, the corporation shall pay to the commissioner a penalty of	25

Annual statement filing..... 100

Application for withdrawal and final report of foreign or alien insurance company 25

Rating organizations:

Application fee	300
Initial certificate	150
Annual renewal	150

Hospital and medical service corporations:

Corporation's annual certificate of authority	200
Annual statement	100

Road and tourist services:

Application fee for certificate of authority	300
Initial certificate	100
Annual renewal	100

Insurers' Fees (cont.)

Insurance vending machines:

Application fee, each machine	\$50
Initial license, each machine.....	50
Annual renewal, each machine	50

Certificates:

Qualification/clearance letters.....	10
Certificates of compliance	5
Service of process on commissioner	25

Retaliatory fees are charged if the insurer's domicile charges those fees of New Hampshire insurers.

Producer Licensing Fees:**Producers:**

Application fee (nonrefundable)	60
License fee and biennial renewal	150
Lifetime registration fee	25
Lifetime registration discharge fee	25
Amendment to license	50
Duplicate license	10
CED status reports	5
Facsimile copies (all documents).....	\$1 per page
Mail return fee (incorrect name, address, etc.)	25

Managing general agents:

Application fee	50
Original license.....	350
Renewal license	250

Reinsurance intermediaries:

Application fee	50
Original license.....	350
Renewal license	250

Adjuster's licenses:

Application fee	15
Initial license	25
Biennial renewal.....	25

Fees may be paid by the agent or company. Retaliation occurs on a fee-by-fee basis.

DEPOSITS

§ 402:2 Mutual Property and Casualty Companies

\$300,000 or \$500,000 deposit depending on type of insurer.

§ 411:3 Domestic Mutual Life Insurance

\$200,000 deposit

Deposits (cont.)

§ 411:1 Domestic Stock Life Insurance Companies

\$300,000 deposit

§ 411:8 Domestic Companies

The commissioner may require a deposit necessary to protect the policyholders, at his or her discretion, but the amount may not exceed \$1,000,000.

CONTACT PERSON

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Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.